

We live and work in a little piece of paradise, and DWU is intent on doing our part to keep it that way.



CONNECTIONS



SPRING 2019



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A MESSAGE FROM THE GENERAL MANAGER

TEAMWORK was a key theme again in 2018 as we laid out an aggressive work program with a budget of approximately \$22 million. We coordinated closely with the different work groups including vendors, contractors, engineering firms and the City of Destin to accomplish the work. Through teamwork we were successful, and we will need it in 2019 as we have another aggressive budget of approximately \$25 million planned for the year.

Our financial condition improved during this past year. Total gallons billed increased 3 percent over the previous year, and we saw a 3 percent increase in water and sewer sales without a rate

increase. We also noticed again in 2018 that the gallons billed increased during our typically slower seasons indicating that we are becoming more of a year-round destination. In 2017, we reached our goal to establish several reserve funds, three years ahead of schedule and in 2018 we invested those funds to improve our interest income earning opportunity and to diversify our cash concentrations.

We secured nearly \$20 million in funding to pay for planned improvements including nearly \$5 million in Florida Department of Environmental Protection (FDEP) State Revolving loan funds to pay for water and wastewater projects and

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Message from the GM continued

\$15 million in conventional funding to pay for future projects.

We continue to work with the contractors working on Highway 98 to help facilitate road improvements. We completed repairs in the western portion of our service area to rehab our aging gravity sewer system. Improvements were made at the wastewater treatment plant to upgrade our operations and replace aging infrastructure. We also made numerous repairs and upgrades to our water, wastewater and lift station facilities to improve our operational efficiency and prepare us for the future.

During the past year we had personnel changes due to retirements and employee separations. We added two new positions, and we adjusted our 2019 Budget to combat pressure from the rising minimum

wage.

We worked to increase our public recognition through positive public relations. In 2018, DWU won the FDEP Water Plant Excellence Award, sent an Operators Challenge team to the Florida Water Resources Conference, sponsored a float in the Destin Christmas parade, hosted multiple plant tours for education groups, and utilized Facebook to positively showcase DWU on the web.

We assisted with the recovery after Hurricane Michael through FlaWARN sending crews to help with damage assessments and within 48 hours, we had crews on the ground assisting communities with lift station and water distribution assessments and repairs. We participated in the FlaWARN coordination meetings and helped recruit response

teams from our area.

Our future is bright; we have good people, we are in a strong financial position, and we have a plan to effectively and efficiently operate and maintain our assets, but most importantly, we are focused on our mission statement that we live and work in a little piece of paradise and DWU is intent on doing its part to keep it that way. We live our core values of Vision, Quality and Stewardship using these guiding principles to keep us focused on what is important while navigating through a changing landscape. We thank the Board of Directors for the support they provide to conduct the business of the corporation and we look forward to the opportunities to serve our members.

LOCKWOOD WERNET
General Manager

2018 Treasurer's Report

It is my pleasure and responsibility to present this year's Treasurer's Report for Destin Water Users (DWU). Each year, the staff assembles an annual operating budget that it deems necessary to perform and accomplish the operating requirements of DWU. The Board of Directors has the responsibility to review, discuss, and approve the annual budget. Throughout the budget period, the Board evaluates monthly the performance of DWU staff across three major categories: 1) the comparison to budgeted goals, 2) the comparison to previous year's performance, and 3) as a comparison to our peer group, which is defined as similar utilities, of similar size, in our comparable region.

Ultimately, while financial management is the primary focus of the treasurer, the entire DWU Board shares accountability in making sure that the financial information for DWU is accurate, timely and properly presented to the Board. As the elected treasurer of your volunteer Board of Directors, it is my duty to report on the operating results of Destin Water Users for the calendar year 2018. I am pleased to report that Destin Water Users compares favorably in all reported categories and it is the opinion of this Board that DWU is in sound financial condition as of calendar year end 2018.

RICK SCALI,
Secretary/Treasurer



CURRENT YEAR 2018 COMPARED TO PREVIOUS YEAR 2017

Based on Collections:

	2017	2018	Increase/(Decrease)
Total Operating Income	\$16,632,826	\$16,806,768	\$173,942
Total Operating Expenses	\$15,255,201	\$15,967,848	\$712,647
Total Net Operating Income	\$1,377,625	\$838,920	\$(538,705)

CURRENT YEAR 2018 COMPARED TO 2018 BUDGET

	Budget	2018	Increase/(Decrease)
Total Operating Income	\$16,141,411	\$16,806,768	\$665,357
Total Operating Expenses	\$17,050,730	\$15,967,848	\$(1,082,882)
Total Net Operating Income	\$(909,319)	\$838,920	\$1,748,239

SELECTED KEY RATIOS

	DWU	PEER GROUP AVERAGE
CURRENT RATIO	4.0%	1.4%
AVG COLLECTION DAYS	24	47
DEBT TO EQUITY RATIO	.30%	1.6%
RETURN ON ASSETS	4.5%	3.1%
RETURN ON EQUITY	5.9%	8.0%

EMPLOYEES OF THE MONTH



DECEMBER 2018
Phillip Allen



JANUARY 2019
Derrick Brown



FEBRUARY 2019
James Bramblett



TOM WEIDENHAMER, PRESIDENT

Message from the PRESIDENT

I'm honored to serve the members of Destin Water Users (DWU) as President of the Board of Directors, and I want to thank the Board for their hard work and dedication.

The DWU Board of Directors actively manages and provides guidance for the operation of the Corporation meeting monthly to conduct the business of the corporation, which includes receiving operations reports from staff, reviewing the financial records and making policy decisions to ensure that the corporation is fiscally sound; that the infrastructure is strong and that we always provide excellent customer service. The Directors also serve on various subcommittees to provide additional review and direction where needed.

The Board of Directors looks at the long-range view and manages policies and procedures of the corporation. The projects we undertake are forward thinking projects to prepare us for our future, addressing concerns we see and fixing them before they cause problems or interrupt service to our members. While the Board is taking the long-range view,

the general manager, hired by the Board, handles the daily operations.

During this past year, we worked on several projects to improve our infrastructure and prepare us for the future, and I would like to highlight a few of those projects now.

We completed the installation of advanced meter reading infrastructure (AMI) allowing all meters to be read from a central location and providing daily reports on consumption and issues or concerns on individual meters. Later in 2019, we plan to add a customer portal allowing customers access to detailed information about their water usage.

We continued to make advances with Cityworks, a GIS based program that links asset management, inventory, work orders, purchase orders and preventative maintenance making it easier to manage operations, track what is happening and plan for future repairs and improvements. This program will also help us comply with the proposed state legislative mandate requiring local utilities to have an asset management plan.

In 2018, we completed work in the oldest portion of our system west of Benning Drive to repair our aging gravity sewer systems as part of our ongoing Sanitary Sewer Evaluation Survey (SSES). In 2019, we plan to make repairs in areas of potential storm surge from Joe's Bayou to the Mid-Bay Bridge. We will begin evaluation of our water lines and sewer force mains in the near future.

Looking ahead at our water supply needs, we completed plans, secured funding and started construction on a new water tower in the western portion of our system; we completed construction of our sixth well at our Rock Hill Wellfield; and we renewed our water operating permits.

At the wastewater treatment plant, we replaced the reclaimed filtration system with a new cloth filter system to improve our treated reclaimed water quality and increase our treatment capacity; renovated the motor control center in the Cube Building to improve operations and began construction to add additional aeration to Oxidation Ditches to improve our wastewater treatment process.

We also completed several smaller projects to our distribution and collection system and at our treatment plant to improve performance, to better serve our customers and to improve process operations.

The mission statement of DWU is: "We live and work in a little piece of paradise, and DWU is intent on doing our part to keep it that way." We believe that the Board of Directors is actively living up to our mission statement and the projects we have highlighted prove that. We are here to serve you the members of DWU and to do our part to preserve this piece of paradise we call Destin.



DESTIN WATER USERS, INC.

P.O. Box 308
Destin, FL 32540-0308

OFFICE HOURS

The DWU office is open Monday through Friday
7:30 a.m. – 4:30 p.m.

PHONE NUMBERS

Administrative Office – Bill Payment Questions and Concerns
(850) 837-6146

Emergencies, Nights, Sundays and Holidays
(850) 837-6551

PAYMENT OPTIONS

Running late? Pay your DWU bill over the phone! We accept American Express, MasterCard, Visa and Discover. Contact a Customer Service Representative for more information. You can also pay your bill online at www.dwuinc.com

WANT YOUR MONTHLY BILL PAID AUTOMATICALLY?

You can now sign up for autopay using a credit card or your checking account by visiting www.dwuinc.com

PAY ONLINE



Paying your DWU bill is easier than ever! Simply go online to dwuinc.com and click “Payment Options” at the top of the page. It will take you to the correct location and provide instructions on getting set up for this convenient payment method.



2018 Employee of the Year

The 2018 Employee of the Year is Kim Wright. Kim is an Accounting Clerk in our Finance Department. Kim has embraced the mission statement of DWU that “We live and work in a little of paradise, and DWU is intent on doing its part to keep that way” and she is living it

out through our core values of Vision, Quality and Stewardship. Kim has proven to be a conscientious and dedicated employee willing to do whatever is asked of her and looking for ways to improve her work areas from serving as the Board Secretary to managing the books for WRP.

Congratulations Kim our 2018 Employee of the Year!

Destin Water Users Board of Directors



Tom WEIDENHAMER
President



Jim FOREMAN



Arnes HUDSON



Jim LINK



Jimmy NEILSON
Vice-President



Rick SCALI
Secretary/Treasurer



Jack SCELSI



Sandy TRAMMELL



Jim WOOD